

MEMO

DATE: July 12, 2007

TO: Administration Committee
Regional Council

FROM: Debbie Dillon, Human Resources Manager, 213-236-1870, dillon@scag.ca.gov

SUBJECT: Salary Administration and Tuition Reimbursement Revisions

BACKGROUND:

SCAG staff met with the Personnel Committee in April and June to 2007 to gather input into finalizing the following changes in salary administration process and procedures as well as the tuition reimbursement program. The following changes will be implemented by Executive Management this fiscal year:

- Increasing the minimum salary for all salary ranges to reduce the percentage spread of the ranges from 50% to 30%.
- Providing management the discretion to give larger than 5% increases for some promotions and reclassifications based on specific criteria.
- Establishing 2.5% increases for lateral transfers that occur through the recruitment process within and across divisions.
- Increasing the tuition reimbursement annual benefit from \$1,000 per calendar year to the California State University (CSU) system annual fee schedule. In 2007 the CSU fee schedule is \$3,200.00.

Human Resources staff conducted a study to determine methods to improve SCAG's ability to attract and retain employees. Salary administration refers to the structure of the ranges as well as how salaries are determined for new employees and how employees progress through the salary ranges. The study collected information from our survey agencies regarding percentage spread of salary ranges, amount of merit increases, how general increases are applied to salary ranges and any mechanisms used to adjust salaries because of inequities. Two of the major issues that SCAG has encountered in the last several years are:

- Maintaining internal salary equity between long service employees (more than 5 years of service) and new hires.
- Providing competitive starting salaries for entry level and less experienced new employees.

SCAG sets its maximum salary based on the 75th percentile of a very competitive market, but the actual pay of entry level employees falls below the median because of SCAG's longer than average salary ranges. In addition, SCAG employees progress more slowly through the salary ranges because of smaller annual increases than our comparison agencies. Experienced new hires often command a higher base salary than long-tenured SCAG employees thereby creating individual inequities because our employees progress more slowly through the salary range.

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The number of employees hired in the last several years made the weaknesses of our salary administration procedures more pronounced especially their negative effect on employee morale and recruitment of entry level employees.

Salary Range Structure - A survey of our comparison group indicates that our salary ranges are almost 20% longer. The average percentage spread from the minimum to the maximum of the range is approximately 33%. SCAG's salary range percentage spread is 50%. Therefore, although the top of our salary ranges is very competitive, the minimum salaries are 10% to 20% below our target in the market. This affects our ability to hire entry level employees. In the last year we have hired ten planners, half of those were hired were entry level employees. Currently if a planner is hired at the minimum of the range and receives only "meets" rating, it will take the employee 13 years from the date of hire to reach the current maximum of the journey level range. In other public agencies the typical time to reach the future maximum would be six to seven years.

Individual Equity Problems - Experienced new hires frequently have higher salaries than SCAG employees who are equal in or have more experience than the new employees. In the last year SCAG has hired 24 experienced employees, journey level or higher. Half of those employees were hired within the top 10% of the salary range. Human Resources consistently compares the experience and salary of new hires with current employees, but frequently there is no choice but to offer a salary higher than current employees in the same or related class to fill the position. Providing larger percentage increases for reclassification, promotion and transfer will provide more opportunities to prevent and correct individual inequity problems.

Tuition Reimbursement Program - SCAG has maintained a tuition reimbursement benefit level of \$1,000.00 per calendar year for many years. During discussions with the Personnel Committee at the last meeting, committee members encouraged staff to improve the benefit and provided several examples for consideration. SCAG staff researched other agencies and has recommended that the benefit level be improved to match the cost of the California State University system annual fees. The current CSU fee structure is \$3200.00 for a full-time load.

FISCAL IMPACT:

No fiscal impact in fiscal year 2007/2008. Adequate funds are available to cover the estimated costs of each of these changes as listed below:

- **Reducing Percentage Spread of Salary Ranges by 20%** - \$100,000 in FY 07/08
- **Provide More Than 5% Increases for Some Promotions/Reclassifications** - Promotions \$44,780; Reclassifications \$44,540 in FY 07/08
- **Provide 2.5% for Later Transfers** - \$3,500.00 in FY 07/08
- **Enhance Tuition Reimbursement Program Benefit** - \$9,400.00 in FY 07/08. The tuition reimbursement program budget was increased in the adopted FY 07/08 budget to cover the anticipated costs of improving the benefit this year.

MEMO

Reviewed by:

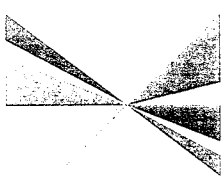

Division Manager

Reviewed by:

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Reviewed by:


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Ventura County: Linda Parks, Ventura County • Glen Becerra, Santa Valley • Carl Morehouse, San Buenaventura • Tom Young, Port Hueneme

Orange County Transportation Authority: Art Brown, Buena Park

Riverside County Transportation Commission: Robin Lowe, Hemet

Ventura County Transportation Commission: Keith Millhouse, Moorpark

Resolution No. 07-489-02

RESOLUTION OF THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS TO RECOGNIZE AND COMMEND THE 2007 GRADUATES OF THE LEADERSHIP SOUTHERN CALIFORNIA PROGRAM

WHEREAS, for 20 years the Southern California Leadership Network's (SCLN) programs have prepared nearly 800 graduates to provide innovative and effective civic leadership through Leadership Southern California and Leadership L.A.;

WHEREAS, SCLN has trained and developed a distinguished alumni network of exemplary community, business, and government leaders;

WHEREAS, in 2006, to build on the development of SCLN's programs, the Leadership L.A. Foundation (founded in 1987) and the Southern California Leadership Network (founded in 1989) both joined forces in a new partnership with the Los Angeles Area Chamber of Commerce

WHEREAS, the Leadership Southern California program graduates 34 new leaders June 28, 2007, at a ceremony, celebration, and a report to the community at Walt Disney Concert Hall; and

WHEREAS, The Southern California Association of Governments is a founder and ongoing supporter of SCLN.

NOW THEREFORE, BE IT RESOLVED that the Regional Council on behalf of the Southern California Association of Governments does hereby congratulate and commend for commitment to leadership and the betterment of the Southern California region the following 2007 graduates of SCLN:

David Baca
Mark Cohen
Alejandra Cruz-Castro
Jennifer Duquette
Ron Galperin
Dwayne Gathers
Beth Ginzinger
Sherman Gordon
Julie Green Rommel
John Guy
Keith Hanks
Maria Higgins
Jerry Hoover
John Incontro

Glenn Maddalon
Mary McGuire
Mary-Elizabeth Michaels
Ron Milam
Danielle Nava
Gina Orozco-Mejia
Dave Porges
Adriana Renteria
Eduardo Santana
Rema Sarkissian
Annemarie Sauer
Anthony Sereno
Gabe Silva
Ian Riekes Trivers
Joan Tsao
Stephanie Verabian
Brittney Weissman
Margie Wheeler

Approved at a regular meeting of the Regional Council of the Southern California Association of Governments on this 12th day of July 2007.

Gary Ovitt, President
Supervisor, County of San Bernardino

Attest:

Mark Pisano, Executive Director

Approved as to Form:

Joann Africa, Interim Director
Legal Services